

PHMC CONTRACT OVERVIEW

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Fast Flux Test Facility Solid Waste Cask



Stabilization Packaging in Glove box 642-C



K West Basins

Fuel Retrieval System



Canister Cleaner Operations



Loading Cask on Trailer at K West

183-H Basin Waste Disposal



OVERVIEW

This section of the report is intended to provide management with an executive-level performance overview. Unless otherwise noted, all information is as of the end of July 2003.

Included in this section are descriptions of significant accomplishments considered to have made the greatest contribution toward safe, timely and cost-effective clean up; progress against the contract with RL; project cost summary analysis; and overviews of safety and critical issues that identify the high-level challenges to achieving cleanup progress.

NOTABLE ACCOMPLISHMENTS

Spent Nuclear Fuel (SNF)

Fuel Movement Activities: The project completed shipment of ten multi-canister over packs (MCOs) containing 60.36 metric tons of heavy metal (MTHM) from the K West Basin to the Cold Vacuum Drying Facility during July. As of August 11, 2003, a cumulative total of 255 MCOs containing 1,365.58 MTHM have been shipped.

Fuel Transfer System (FTS): The project completed 19 FTS shipments (190 canisters) during July, for a cumulative total of 155 shipments. As of August 11, 2003, a cumulative total of 156 FTS shipments (1,560 canisters) have been completed.

MCO Welding at Canister Storage Building: The project welded and "N" stamped ten MCOs during July for a cumulative total of 59 MCOs welded. As of August 11, 2003, the project has welded a cumulative total of 62 MCOs and is five MCOs ahead of schedule.

Central Plateau (CP) Remediation Project

200 Area Remediation: On July 29, 2003, the "233-S Facilities Demolition Plan and Support" subcontract was awarded to CR/X Environmental Services (CR/X). CR/X will be responsible for providing technical support, expertise, and the requisite special equipment for safe demolition and removal of the 233-S Plutonium Concentration Facility and the 233-SA Filter Building on or before September 30, 2003. The CR/X team will be utilizing FH plant forces in accomplishing this task.

Plutonium Finishing Plant (PFP) Project

Stabilization of Nuclear Materials

Metals, Alloys, Oxides and Polycubes: Two hundred twenty-three oxide items were processed. As of July 28, 2003, 2,094 oxide items have been processed.

Outer Can Packaging: Forty-four 3013 containers were produced during July. A total of 732 3013 containers have been produced this fiscal year.

NOTABLE ACCOMPLISHMENTS, CONTINUED

Disposition of Nuclear Materials

Thirty-five containers of low level, transuranic (TRU)/TRU mixed, hazardous, recycled and seven pipe overpack containers (POCs) of waste were shipped to the Central Waste Complex (CWC). The second set of 104 9975 containers were received from Rocky Flats Environmental Technology Site.

Fast Flux Test Facility (FFTF) Closure Project

Interim Heat Exchanger (IHX) Secondary Sodium Drain: Preparations to complete draining sodium from the secondary side of the three Main Heat Transport System IHX's progressed to the point of removing heaters and insulation from piping in all three Main Heat Transport loops. Additionally, the vent lines were cut and appropriate sealing devices were installed as required prior to the dip tube installation. The dip tube required to remove secondary sodium from the Loop 1 IHX was installed and preparations for dip tube installation in Loops 2 and 3 are underway.

Waste Management Project

Transuranic (TRU) Waste Program: Shipped 157 cubic meters (m³) to date to the Waste Isolation Pilot Plant (WIPP), double the 78 m³ planned for FY 2003. Completed shipments to the CWC of Sand, Slag and Crucible POCs from the PFP.

Mixed Low Level Waste (MLLW) Treatment: Completed twenty shipments totaling 257 m³ of 183-H Basin waste to the Environmental Restoration Disposal Facility (ERDF). This waste stream represents approximately 60% (3,730 m³ or 12,300 containers) of currently stored MLLW at the CWC. Twenty to twenty-four shipments a month are currently being scheduled, dependent on the availability of resources and funding.

Project Systems and Support

Automated Job Hazards Analysis (AJHA) Program Receives National Voluntary Protection Program (VPP) Award: The U.S. Department of Labor and Occupational Safety and Health Administration, along with the U.S. Department of Energy, sponsor their respective VPPs. The national Voluntary Protection Program Participants Association (VPPPA) offers three annual awards, two for outreach and one for innovation. This July the FH AJHA program was selected to receive the 2003 Innovation Award. The award will be presented at the Opening General Session of the 19th Annual National VPPPA Conference on September 8, 2003, in Washington D.C.

GOVERNMENT FURNISHED SERVICE/ITEM (GFS/I)

Listed below are the near-term RL action/commitments required to support FH's accelerated cleanup. Only data for the next 30 days (including any open GFS/I from prior periods) are shown. Currently nine RL GFS/I to FH are late (shown in red boxes below). FH and RL have been working together since April to simplify this list, at which time the FH/RL contract will be adjusted. The "blue" text is hyper-linked to the current PHMC/RL contract at web site

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NOTE: GFS/I data through August 18, 2003.

GFS/I, CONTINUED

(Highlight: gold = **PI Related**, red = **Late/Missed**)

Ref. ID	SOW Section	WBS Scope	Responsibility	Requirement	GFS/GFI	RL Letter No. & Date Completed	FH Submittal	FH Letter No. & Date Completed	Comments
GF0017	C.2.2.1.2 Plutonium Finishing Plant (PFP) Cleanup	WBS 3.3.3.3 SNM Stabilization Stabilize SNM	• Plutonium Finishing Plant	DE-AC06-96RL13200, C.2.2.1.2, Row 3, GFS/GFI 3 DE-AC06-96RL13200, Section J, Appendix D, PI S-3, Attachment 1, GFS/GFI	DOE-SR approval of PFP's compliance with SRS acceptance criteria within 60 days of submittal				ISSUE: GF0017 part 1 Key Item ISSUE: RL Letter dated 4/18/2003 notes GFS/GFI is unacceptable 0301744 / 03-AMI-0018
					DOE-SR approval of PFP's compliance with SRS acceptance criteria, Part 1 Commitment: 22 November 2002		<i>Savannah River Site (SRS) Acceptance Criteria Submittal, Part 1</i> Planned: 20 September 2002	Completed: 23 September 2002	
GF0022	C.2.2.1.2 Plutonium Finishing Plant (PFP) Cleanup	WBS 3.3.3.3 SNM Stabilization Stabilize SNM	• Plutonium Finishing Plant	DE-AC06-96RL13200, C.2.2.1.2, Row 3, GFS/GFI 5 DE-AC06-96RL13200, C.2.2.1.2, Row 4, GFS/GFI 3 DE-AC06-96RL13200, Section J, Appendix D, PI S-3, Attachment 1, GFS/GFI	Obtain 9975 SARP Certificate of Compliance amendment allowing PFP 3013s. Commitment: 28 February 2003				ISSUE: GF0022 Key Item ISSUE: FH submitted letter to RL 3/4/03, of RL's delay. Upon FH's receipt of the GFS, a change by contract modification is requested from RL reflecting the impacts. FH-0300950 ISSUE: RL Letter dated 4/18/2003 notes GFS/GFI is unacceptable 0301744 / 03-AMI-0018
GF0022	C.2.2.1.2 Plutonium Finishing Plant (PFP) Cleanup	WBS 3.3.3.4 Disposition SNM Disposition SNM	• Plutonium Finishing Plant	DE-AC06-96RL13200, C.2.2.1.2, Row 3, GFS/GFI 5 DE-AC06-96RL13200, C.2.2.1.2, Row 4, GFS/GFI 3 DE-AC06-96RL13200, Section J, Appendix D, PI S-3, Attachment 1, GFS/GFI	Obtain 9975 SARP Certificate of Compliance amendment allowing PFP 3013s. Commitment: 28 February 2003				ISSUE: GF0022 Key Item ISSUE: FH submitted letter to RL 3/4/03, of RL's delay. Upon FH's receipt of the GFS, a change by contract modification is requested from RL reflecting the impacts. FH-0300950 ISSUE: RL Letter dated 4/18/2003 notes GFS/GFI is unacceptable 0301744 / 03-AMI-0018
GF0020	C.2.2.1.2 Plutonium Finishing Plant (PFP) Cleanup	WBS 3.3.3.4 Disposition SNM Disposition SNM	• Plutonium Finishing Plant	DE-AC06-96RL13200, C.2.2.1.2, Row 4, GFS/GFI 2 DE-AC06-96RL13200, Section J, Appendix D, PI S-3, Attachment 1, GFS/GFI	Approve Supplement Analysis and Record of Decision amendment for PFP Weapon Grade and Fuel Grade material. Commitment: 28 February 2003				ISSUE: GF0020 Key Item ISSUE: FH submitted letter to RL 3/4/02, of RL's delay. Upon FH's receipt of the GFS, change by contract modification will be requested from RL reflecting the impacts. FH-0300952
GF0024	C.2.2.1.2 Plutonium Finishing Plant (PFP) Cleanup	WBS 3.3.3.4 Disposition SNM Disposition SNM	• Plutonium Finishing Plant	DE-AC06-96RL13200, C.2.2.1.2, Row 4, GFS/GFI 5 DE-AC06-96RL13200, Section J, Appendix D, PI S-3, Attachment 1, GFS/GFI	Obtain SAFKEG Certificate of Compliance. Commitment: 1 March 2003				ISSUE: GF0024 Key Item ISSUE: FH submitted letter to RL 3/5/03, of RL's delay. Upon FH's receipt of the GFS, a change by contract modification is requested from RL reflecting the impacts. FH-0300969 ISSUE: RL Letter dated 4/18/2003 notes GFS/GFI is unacceptable 0301744 / 03-AMI-0018

GFS/I, CONTINUED

Ref. ID	SOW Section	WBS Scope	Responsibility	Requirement	GFS/GFI	RL Letter No. & Date Completed	FH Submittal	FH Letter No. & Date Completed	Comments
GF0029	C.2.2.1.2 Plutonium Finishing Plant (PFP) Cleanup	WBS 3.3.3.5 Disposition PFP Facility Disposition PFP	• Plutonium Finishing Plant	DE-AC06-96RL13200, C.2.2.1.2, Row 5, GFS/GFI 2 DE-AC06-96RL13200, Section J, Appendix D, PI S-5, Attachment 3, GFS/GFI	Approve PFP D&D Basis for Interim Operations (BIO) within 60 days of submittal Commitment: 11 August 2003		<i>Basis of Interim Operations (BIO) for 234-5Z Deactivation</i> Planned: 12 June 2003	FH-0302321 Completed: 12 June 2003	ISSUE: GF0029 Key Item ISSUE: RL Letter dated 4/18/2003 notes GFS/GFI is unacceptable 0301744 / 03-AMI-0018
GF0030	C.2.2.1.2 Plutonium Finishing Plant (PFP) Cleanup	WBS 3.3.3.5 Disposition PFP Facility Disposition PFP	• Plutonium Finishing Plant	DE-AC06-96RL13200, C.2.2.1.2, Row 5, GFS/GFI 3 DE-AC06-96RL13200, Section J, Appendix D, PI S-5, Attachment 3, GFS/GFI	Decision on PFP Transition Environmental Assessment within 180 days of submittal Commitment: 29 June 2003		<i>PFP Transition Environmental Assessment (EA)</i> Planned: 31 December 2002	FH-0206027 Completed: 31 December 2002	ISSUE: GF0030 Key Item ISSUE: RL returned the draft EA until FH can determine the basis of justification for dose estimates. 0300944/03-PTD-0054 ISSUE: FH submitted letter to RL 7/31-03 of RL's delay. Upon FH's receipt of the GFS, a change by contract modification may be requested from RL reflecting the impacts. FH-0303001
GF0072	C.3.3 Waste Receiving and Processing Facility (WRAP)	WBS 3.3.2.4 TRU Program Disposition Transuranic Waste from WRAP/APL Processing to WIPP	• Waste Management	DE-AC06-96RL13200, C.3.3, Row 3, GFS/GFI 8 DE-AC06-96RL13200, Section J, Appendix D, PI S-4, Attachment 2, GFS/GFI	Approve the Environmental Assessment for the Carlsbad APL within 60 days of submittal. Commitment: 12 May 2003		<i>NEPA Categorical Exclusion for Accelerated Process Lines for Packaging TRU</i> Planned: 10 March 2003	FH-0301033 Completed: 11 March 2003	ISSUE: GF0072 Key Item ISSUE: Partial approval received 4/9/03 (0301576/03-WMD-0139); does not allow full operation; DOE verbal agreement that CX can be amended to support operations. 0301576/03-WMD-0139
GF0080	C.3.11 Mixed Waste Disposal Trenches (MWDIT)	WBS 3.3.2.1 Solid Waste Storage and Disposal Disposition Low-Level Mixed Waste	• Waste Management	DE-AC06-96RL13200, C.3.11, Row 1, GFS/GFI 2 DE-AC06-96RL13200, Section J, Appendix D, PI S-4, Attachment 2, GFS/GFI	Approve the 200 ETF Delisting Modification Petition for acceptance of unrestricted F039 multi-source leachate for Hanford's RCRA Subtitle-C disposal units. Commitment: 31 January 2003				ISSUE: GF0080 Key Item ISSUE: RL Letter dated 4/18/2003 notes GFS/GFI is unacceptable 0301744 / 03-AMI-0018 ISSUE: Impending impact, assuming date is missed, request recovery plan w/ revised date. (PI) S-4 (1b) FH-0300381 ISSUE: RL response dated 4/4/2003 to FHI letter FH-0300381. The existing public comment and comment resolution cycles lead towards an expected July 15, 2003, completion date for delisting petition. 0301510/03-PRO-0317
GF0083	C.3.11 Mixed Waste Disposal Trenches (MWDIT)	WBS 3.3.2.9 Waste Management Project Management & Support Provide Waste Management Services	• Waste Management	DE-AC06-96RL13200, C.3.11, Row 1, GFS/GFI 5 DE-AC06-96RL13200, Section J, Appendix D, PI S-4, Attachment 2, GFS/GFI	Approve Hanford Solid Waste EIS (Issue Record of Decision) Commitment: 31 July 2003				ISSUE: GF0083 Key Item
GF0084	C.3.11 Mixed Waste Disposal Trenches	WBS 3.3.2.1 Solid Waste Storage and Disposal Disposition Low-	• Waste Management	DE-AC06-96RL13200, C.3.11, Row 1, GFS/GFI 6 DE-AC06-96RL13200	Authorize in-trench RCRA treatment, including alternative treatment of MLLW				ISSUE: GF0084 Key Item ISSUE: RL Letter dated 4/18/2003 notes GFS/GFI is unacceptable 0301744 / 03-AMI-0018

CONTRACT DELIVERABLES

Listed below are the current FH contract deliverables. Only data for the next 30 days (including any open deliverables from prior periods) are shown. Only one FH Deliverable to RL (CD0063) is late. The "blue" text is hyper-linked to the current PHMC/RL contract at web-site

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NOTE: All contract deliverable data through August 18, 2003.

(Highlight: gold = **PI Related**, red = **Late/Missed**)

Ref. ID	SOW Section	WBS Scope	Responsibility	Requirement	Deliverable	FH Letter No. & Date Completed	Needed GFS/GFI	RL Letter No. & Date Completed	Comments
CD0261	C.2.2.1.2 Plutonium Finishing Plant (PFP) Cleanup	WBS 3.3.3.1 Maintain Safe and Secure SNM	• Plutonium Finishing Plant	DE-AC06-96RL13200, C.2.2.1.2, Row 1, Deliverable 1	Annual Review of Nuclear Materials Management & Safeguards System (NMMSS) T-147 Project Number worksheet, Chapter VIII				
					Annual Review of Nuclear Materials Management & Safeguards System (NMMSS) T-147 Project Number worksheet, Chapter VIII (2003) Planned: 27 August 2003				
CD0043	C.2.4.1 Fast Flux Test Facility (FFTF) Cleanup	WBS 2.1.1.1.21.1 FFTF Deactivation	• FFTF	DE-AC06-96RL13200, C.2.4.1, Row 1, Deliverable 1	FFTF Update to Final Safety Analysis Report (FSAR) (Including Hazard Analysis Data) (Annual)				
					FFTF Update to Final Safety Analysis Report (FSAR) (Including Hazard Analysis Data) (2004) Planned: 31 August 2003				
CD0063	C.2.6 Groundwater Protection	WBS 3.4.4.1 Management & Integration	• Central Plateau Remediation	DE-AC06-96RL13200, C.2.6, Row 1, Deliverable 2	Complete Vadose Zone monitoring study. Interim Report Due 28 February 2003 and final report due 30 July 2003.				
					Complete Vadose Zone monitoring study final report Commitment: 30 July 2003 Planned: 30 July 2003				RL agreed to September 12, 2003 as the Commitment date. Contract modification is pending RL approval. ISSUE: CD0063 Key Item
CD0244	C.3.7 200 Area Effluent Treatment Facility (ETF)	WBS 3.3.2.6 Liquid Waste Processing Facilities	• Waste Management	DE-AC06-96RL13200, C.3.7, Row 1, Deliverable 1	M-26-05J : Evaluation of development status of tritium treatment technology that would be pertinent to the cleanup and management of tritiated waste water Commitment: 31 August 2003 Planned: 31 August 2003				ISSUE: CD0244 Key Item
CD0108	C.3.9 300 Area Treated Effluent Disposal Facility (TEDF)	WBS 3.3.2.6 Liquid Waste Processing Facilities	• Waste Management	DE-AC06-96RL13200, C.3.9, Row 1, Deliverable 1	Submittal of Department of Natural Resources Land Lease Monitoring Report (Monthly)				
					Submittal of Department of Natural Resources Land Lease Monitoring Report (2003, July) Planned: 31 August 2003				
CD0114	C.4.2 Hanford Site Services	WBS 3.4.6.2 FH Safeguards & Security	• Safety & Health	DE-AC06-96RL13200, C.4.2, Row 41, Deliverable 1	Nuclear Material Accountability Transaction Data Report (Monthly)				
					Nuclear Material Accountability Transaction Data Report (FY2003 August) Planned: 11 September 2003				Deliver to telecommunications via Classified Document Control by the 8th working day of the following month.

CONTRACT DELIVERABLES, CONTINUED

Ref. ID	SOW Section	WBS Scope	Responsibility	Requirement	Deliverable	FH Letter No. & Date Completed	Needed GFS/GFI	RL Letter No. & Date Completed	Comments
CD0128	C.4.2 Hanford Site Services	WBS 3.4.2.1 Landlord Services Utilities Operations and Maintenance--Sewer Utilities	• Project Systems & Support	DE-AC06-96RL13200, C.4.2, Row 51, Deliverable 3	Quarterly Discharge Monitoring Reports (Lagoon Activities/Discharges)				
					Quarterly Discharge Monitoring Reports (Lagoon Activities/Discharges) (CY2003 2nd Quarter) Planned: 30 August 2003				
CD0300	C.4.2 Hanford Site Services	WBS 3.4.2.1 Landlord Services Utilities Operations and Maintenance--Water Compliance and Sampling	• Project Systems & Support	DE-AC06-96RL13200, C.4.2, Row 52, Deliverable 4	200E, 200W, 300, 400 Area Drinking Water Report (Monthly)				
					200E, 200W, 300, 400 Area Drinking Water Report (2003, August) Planned: 10 September 2003				
CD0139	C.5.1 Environment, Safety, Health and Quality Assurance (ESH&Q)	WBS 3.4.1.2 Environmental Compliance Environmental Protection	• Regulatory Compliance	DE-AC06-96RL13200, C.5.1, Row 1, Deliverable 2 CRD O 231.1, Chg 2, Section 12 DOE 5400.1, Chg 1, Chapter II, Section 4	Annual Environmental Release Report				
					Hanford Site Environmental Release Report (2003) Planned: 29 August 2003				
CD0288	C.5.1 Environment, Safety, Health and Quality Assurance (ESH&Q)	WBS 3.4.1.2 Environmental Compliance Environmental Protection	• Regulatory Compliance	DE-AC06-96RL13200, C.5.1, Row 1, Deliverable 18 CRD O 231.1, Chg 2, Section 12 DOE 5400.1, Chg 1, Chapter II, Section 4	National Pollutant Discharge Elimination System Discharge Monitoring Report (Monthly)				
					National Pollutant Discharge Elimination System Discharge Monitoring Report (2003, July) Planned: 25 August 2003				
CD0148	C.5.1 Environment, Safety, Health and Quality Assurance (ESH&Q)	WBS 3.4.1.2 Environmental Compliance Environmental Protection	• Regulatory Compliance	WA780008967, Permit Condition ILU.2 (Redline modification as of 9/30/02; was formerly ILU.4) WA780008967, Permit Condition ILV (Redline modification as of 9/30/02) DE-AC06-96RL13200, C.5.1, Row 1, Deliverable 20	RCRA Pipe Mapping and Marking Report				
					RCRA Pipe Mapping and Marking Report (2003) Planned: 16 September 2003				

CONTRACT DELIVERABLES, CONTINUED

Ref. ID	SOW Section	WBS Scope	Responsibility	Requirement	Deliverable	FH Letter No. & Date Completed	Needed GFS/GFI	RL Letter No. & Date Completed	Comments
CD0179	C.5.3 Management Products and Controls	WBS 6.6.10.1.1 Business Systems Management Accounting System	• Business Systems	DE-AC06-96RL13200, C.5.3, Row 1, Deliverable 5	Contract Funds Status Report (Monthly)				
					Contract Funds Status Report (July FY03) Planned: 20 August 2003				
CD0171	C.5.3 Management Products and Controls	WBS 6.6.10.1.1 Business Systems Management Accounting System	• Business Systems	DE-AC06-96RL13200, C.5.3, Row 1, Deliverable 11 DE-AC06-96RL13200, J, APP. B, 4.2.3	FAS 106 Valuation (Annual)				
					FAS 106 Valuation (2003) Planned: 27 August 2003				
CD0172	C.5.3 Management Products and Controls	WBS 6.6.10.1.1 Business Systems Management Accounting System	• Business Systems	DE-AC06-96RL13200, C.5.3, Row 1, Deliverable 12 DE-AC06-96RL13200, J, APP. B, 4.3.2B(3)	FAS 87 Valuation (Annual)				
					FAS 87 Valuation (2003) Planned: 27 August 2003				
CD0173	C.5.3 Management Products and Controls	WBS 6.6.10.1.1 Business Systems Management Accounting System	• Business Systems	DE-AC06-96RL13200, C.5.3, Row 1, Deliverable 13	Financial Information System (FIS) Management & Reporting System (MARS) (Month-End Deadlines)				
					Financial Information System (FIS) Management & Reporting System (MARS) (FY2003 August) Planned: 10 September 2003				
CD0281	C.5.3 Management Products and Controls	WBS 6.6.10.1.1 Business Systems Management Accounting System	• Business Systems	DE-AC06-96RL13200, C.5.3, Row 1, Deliverable 19	Fluor Hanford, Inc., Cost Submittal FHXXXX (Monthly)				
					Fluor Hanford, Inc., Cost Submittal FHXXXX (FY2003 August) Planned: 10 September 2003				
CD0294	C.5.3 Management Products and Controls	WBS 6.6.10.1.1 Business Systems Management Accounting System	• Business Systems	DE-AC06-96RL13200, C.5.3, Row 1, Deliverable 22	Reconciliation of Activities Charged to Suspense Debits and Budget and Reporting (B&R) Number (Monthly)				
					Reconciliation of Activities Charged to Suspense Debits and Budget and Reporting (B&R) Number (FY2003, August) Planned: 10 September 2003				
CD0169	C.5.3 Management Products and Controls	WBS 3.4.1.1 Budget & Performance Analysis Contract Reporting	• Project Systems & Support	DE-AC06-96RL13200, C.5.3, Row 4, Deliverable 13	Project Hanford Management Contract Performance Report (Monthly)				
					Project Hanford Management Contract Performance Report (7/2003) Planned: 8 September 2003				

FY 2003 SCHEDULE/COST PERFORMANCE (\$K)

The following provides a brief synopsis of overall PHMC contract cost/schedule performance.

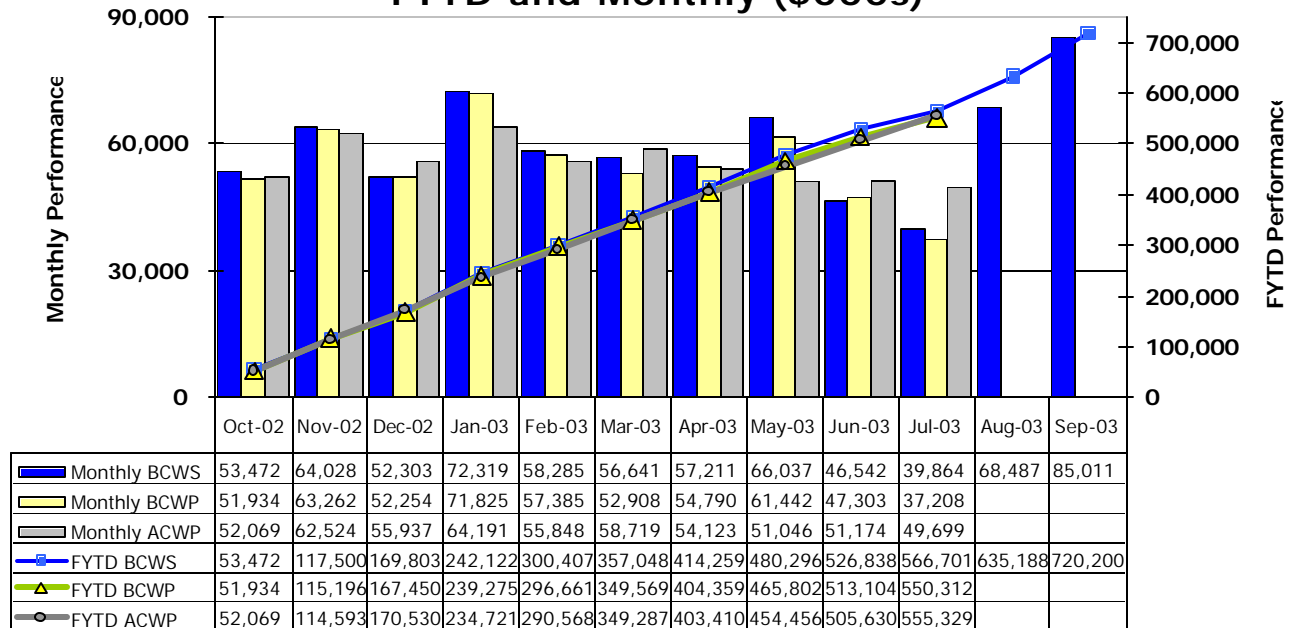
SCHEDULE PERFORMANCE: FYTD schedule performance reflects a -3%, or -\$16,338K unfavorable schedule variance. The established threshold is +/-10% or \$1M. The significant schedule variances are discussed in the following sections: Spent Nuclear Fuel Project (Section B); Central Plateau Remediation (Section C); Plutonium Finishing Plant (Section D); Fast Flux Test Facility (Section E); Waste Management (Section F); Project Systems and Support (Section G); Site Integration and Infrastructure (Section H); and Work for Others (Section I).

Cost Performance: FYTD cost performance reflects a -1%, or -\$5,017K, unfavorable cost variance. The established threshold is +/-10% or \$1M. The significant unfavorable cost variances are discussed in the following sections: Spent Nuclear Fuel (Section B); Central Plateau Remediation (Section C); and Plutonium Finishing Plant (Section D) offset by favorable performance in Waste Management (Section F); Project Systems and Support (Section G); Site Integration and Analysis (Section H); and Work for Others (Section I).

Fiscal Year To Date (\$K)	Budgeted Cost of Work Scheduled	Budgeted Cost of Work Performed	Actual Cost of Work Performed	Schedule Variance \$	Schedule Variance %	Cost Variance \$	Cost Variance %	Budget At Completion
Spent Nuclear Fuel Project								
RL-RS03 Spent Nuclear Fuel	126,763	126,033	136,323	-730	-1%	-10,290	-8%	156,184
Central Plateau Remediation								
RL-RC06 300 Area Facility Transition	19,414	19,118	17,203	-296	-2%	1,915	10%	22,489
RL-CP01 200 Area Remediation	23,914	21,771	26,591	-2,143	-10%	-4,820	-22%	28,892
Plutonium Finishing Plant								
RL-CP03 Plutonium Finishing Plant	81,529	77,045	81,118	-4,484	-6%	-4,072	-5%	104,203
Fast Flux Test Facility								
RL-RC03 Advanced Reactor Transition	1,512	1,228	1,136	-285	-23%	91	7%	2,204
RL-CP04 FFTF Project	30,885	30,287	30,037	-598	-2%	250	1%	38,151
Waste Management								
RL-RS01 South Hanford Industrial Area Clean Up	186	199	192	13	7%	7	3%	253
RL-CP02 200 Area Materials & Waste Mgm't	90,047	85,009	85,621	-5,039	-6%	-612	-1%	114,420
RL-SS03 Groundwater Management & Monitoring	16,582	15,138	14,031	-1,444	-10%	1,107	7%	21,445
RL-SS04 Groundwater/Vadose Zone Protection	2,721	2,619	2,518	-102	-4%	100	4%	3,181
RL-SC01 Near Term Stewardship	2,009	1,807	1,720	-203	-11%	86	5%	2,482
Site Integration and Infrastructure								
RL-SS01 Site Systems & Regulatory Analysis	11,679	11,679	9,753	0	0%	1,925	16%	19,471
RL-SS02 Landlord & Site Services	49,415	48,355	42,717	-1,060	-2%	5,639	12%	68,302
RL-SS05 HAMMER	4,005	3,978	3,783	-27	-1%	195	5%	4,939
RL-SS-D Safeguards & Security	35,967	35,967	35,755	0	0%	212	1%	44,407
Subtotal Sub-project Work scope	496,627	480,231	488,498	-16,396	-3%	-8,267	-2%	631,023
Work For Others								
National Programs (T&P, WM)	737	737	658	0	0%	80	11%	945
RFS/DOE-Directed	8,087	8,080	7,719	-7	0%	361	4%	10,737
Work for Federal Agencies	5,036	5,036	4,850	0	0%	185	4%	7,787
Work for Non-Federal Agencies	787	787	691	0	0%	96	12%	1,419
Inter-DOE Work Orders	2,523	2,523	2,256	0	0%	267	11%	3,218
Work from PNNL	5,305	5,329	4,567	24	0%	761	14%	6,883
Work from BHI	2,064	2,088	1,575	24	1%	513	25%	2,571
Work from CH2M	45,096	45,063	44,154	-33	0%	909	2%	55,104
Other Work for Others	440	440	361	0	0%	79	18%	513
Total Work For Others	70,075	70,081	66,831	7	0%	3,250	5%	89,177
Total FH Contract Work scope	566,701	550,312	555,329	-16,388	-3%	-5,017	-1%	720,200

FY 2003 SCHEDULE/COST PERFORMANCE STATUS, CONTINUED

Performance Status FYTD and Monthly (\$000s)



MILESTONE PERFORMANCE

Milestones represent significant events in project execution. Milestones are established to provide high level visibility to critical deliverables and specific status on the accomplishment of these key events. Because of the relative importance of milestones, the ability to track and assess milestone performance provides an effective tool for managing the PHMC contract. FY 2003 milestone information is based upon the current baseline including RL approved changes. Changes in both the number and type of milestones from month to month are the result of Baseline Change Requests (BCRs) approved during the year.

Fiscal year milestone performance (Enforceable Agreement [EA], U.S. Department of Energy-Headquarters [DOE-HQ], and RL) shows that three milestones were completed on or ahead of schedule, one was completed late and four milestones are overdue.

MILESTONE TYPE	FISCAL YEAR-TO-DATE				REMAINING SCHEDULED			
	Completed Early	Completed On Schedule	Completed Late	Overdue	Forecast Early	Forecast On Schedule	Forecast Late	Total FY 2003
Enforceable Agreement	3	0	1	2	1	1	0	8
DOE-HQ	1	0	0	0	0	0	0	1
DOE-RL	0	0	0	1	0	0	0	1
Total FH	4	0	1	3	1	1	0	10

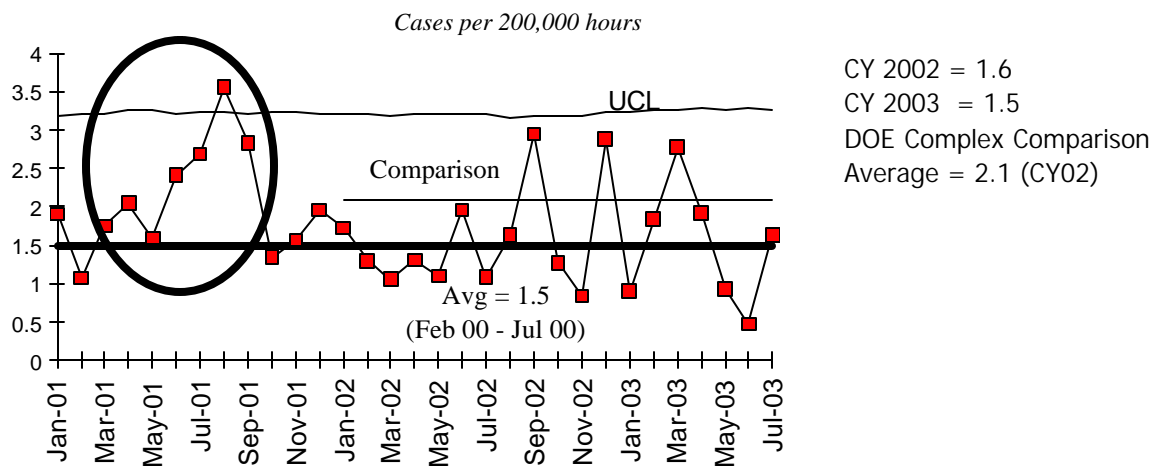
MILESTONE PERFORMANCE, CONTINUED

The overdue enforceable agreement milestones are TPA Milestone M-34-08/S04-02-205, *Initiate Full Scale KE Basin Sludge Removal*, forecast to restart the ORR on October 10, 2003 (addressed in Section B); M-91-12A/WMH-03-015, *Treat 240 Cubic Meters by 12/31/2002* which has a letter of completion submitted to RL; and M-91-20/WMP-03-003, *T Plant ready to receive canister of K-Basin floor pit sludge* which was completed June 24, 2003 (detailed in Section F); and TRP-03-504, *Submit to Ecology a Closure Plan for 241-Z Waste Treatment Plan* (detailed in Section D) which was completed July 25, 2003. The overdue RL milestone is S04-00-205, *CD4/Complete Operational Readiness Review sludge transfer from K Basins* is forecast to restart the ORR on October 10, 2003 (detailed in Section B).

SAFETY OVERVIEW

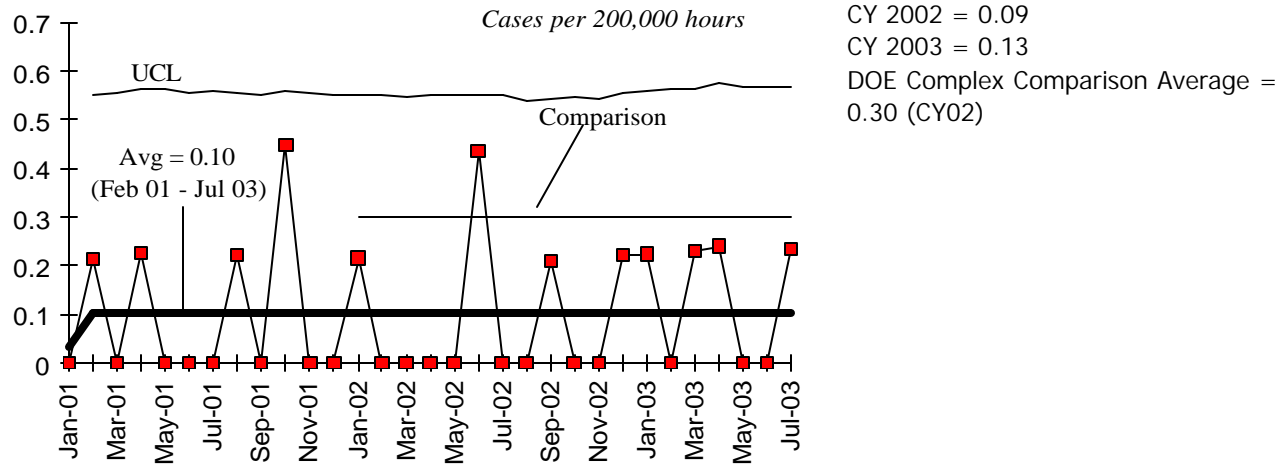
The focus of this section is to document trends in occurrences. FH continues to focus on improving safety through the efforts of the PHMC workforce as they implement the Integrated Environmental Safety & Health Management System, work towards achieving Voluntary Protection Program "star" status, and accomplish work through Enhanced Work Planning. Safety and health statistical data is presented below. The safety charts are reported according to Occupational Safety and Health Administration (OSHA) standards.

Total OSHA Recordable Case Rate: The OSHA Recordable Rate remains stable at the 1.5 baseline average. However, increases in the First Aid Case Rate are a leading indication that continued focus on safety improvement activities is needed. The First Aid rate normally cycles higher in the summer months, but it is slightly higher than normal.

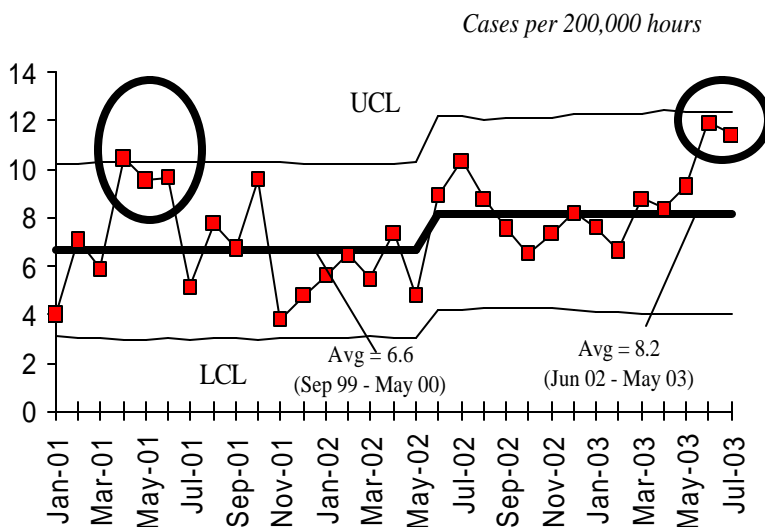


Increased focus on workplace safety and project safety improvement plans is ongoing.

OSHA Days Away From Work (DAFW) Case Rate: The safe work hours total is currently 831,845. The safe hours count was reset on July 1, 2003, following a Days Away From Work (DAFW) injury in Project Systems & Support. Lifting and carrying items in an awkward body position resulted in an employee losing time due to the injury.

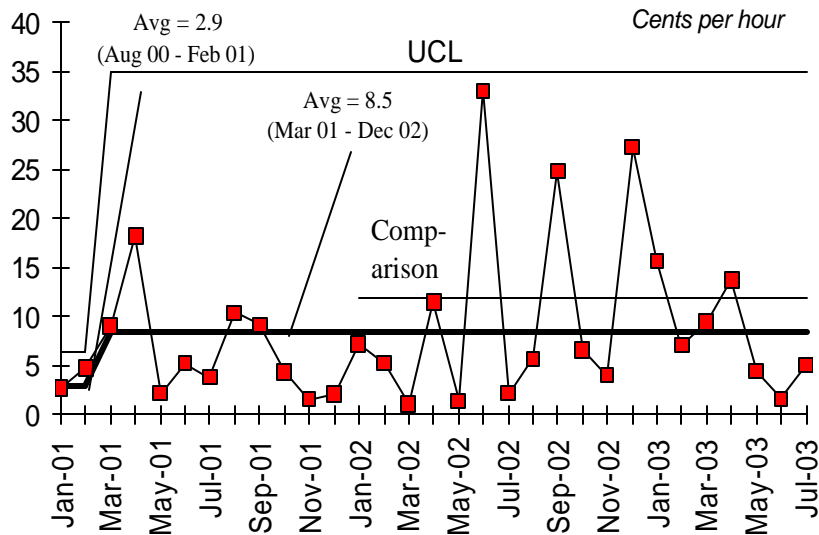


First Aid Case Rate: The First Aid Rate undergoes seasonal cycles. There is an increasing trend this year, without as much of a winter lull as has been experienced in the past. Some of the increase is related to summer injuries, but much of the increase is in Strains, Sprains, and Pains. A new baseline average has been calculated due to recent increases, and June and July 2003 are significantly higher.



Fiscal year calculations are not included as DOE does not publish a comparison rate, and comparisons of partial fiscal year data to prior years would not be appropriate due to the routine cyclical trends in the data.

Safety Cost Index: The decreasing trend noted last month has been removed due to further days gained on cases from March and April 2003. FH has reviewed past Restricted Work Activity cases that are still incurring restricted time, and has referred several for medical reevaluation.



CY 2002 = 10.8
CY 2003 = 8.2
DOE Complex Comparison = 11.9

GOLD METRICS

Measure/Units		FY03 1-Qtr	FY03 2-Qtr	FY03 3-Qtr	Jul-03	Aug-03	Sep-03	FY03 4-Qtr	FY03 Totals thu July	FY03 Totals at Year End
RL Plutonium Metal or Oxide packaged for long-term storage (# of containers)*	Planned	500	500	500	167	167	167	500	1,667	2,000
	Actual	200	200	500		-	-	-	900	900
FH Plutonium Metal or Oxide packaged for long-term storage (# of items)	Planned	619	619	740	371	356	368	1,095	2,349	3,073
	Actual	475	667	729	223	-	-	223	2,094	2,094
RL Plutonium or Uranium Residues packaged for disposition (kg/bulk)	Planned	413	421	61	-	-	-	-	895	895
	Actual	580	202	28	10	-	-	10	820	820
FH Plutonium or Uranium Residues packaged for disposition (kg/bulk)	Planned	657	76	203	-	-	-	-	936	936
	Actual	641	141	28	10	-	-	10	820	820
RL Transuranic Waste shipped for disposal at WIPP (cubic meters)	Planned	9	9	30	10	10	10	30	58	78
	Actual	9	9	126	20	-	-	20	164	164
FH Transuranic Waste shipped for disposal at WIPP (cubic meters)	Planned	9	9	30	-	-	-	-	48	48
	Actual	8	8	120	28	-	-	28	164	164
RL Spent Nuclear Fuel packaged for final disposition (MTHM)	Planned	324.00	146.00	197.00	62.67	62.67	62.67	188.00	730	855
	Actual	300.26	186.00	183.00	69.56	-	-	69.56	739	739
FH Spent Nuclear Fuel packaged for final disposition (MTHM)	Planned	327.50	146.00	-	44.69	79.80	50.51	175.80	518	649
	Actual	299.54	188.11	190.81	60.56	-	-	60.56	739	739
RL Low-Level and Mixed Low-Level Waste disposed (cubic meters)*	Planned	712	1,191	1,465	723	723	723	2,169	4,091	5,537
	Actual	916	383	840	352	-	-	352	2,491	2,491
FH Low-Level and Mixed Low-Level Waste disposed (cubic meters)	Planned	712	1,191	1,465	593	688	888	2,169	3,961	5,537
	Actual	916	383	701	491	-	-	491	2,491	2,491
RL Nuclear Facility Completions (# of facilities)	Planned	2	-	-	-	-	-	-	2	2
	Actual	2	-	-	-	-	-	-	2	2
FH Nuclear Facility Completions (# of facilities)	Planned	2	-	-	-	-	-	-	2	2
	Actual	2	-	-	-	-	-	-	2	2
RL Industrial Facility Completions (# of facilities)	Planned	-	-	-	-	-	2	2	-	2
	Actual	-	-	2	-	-	-	-	2	2
FH Industrial Facility Completions (# of facilities)	Planned	-	-	-	-	-	2	2	-	2
	Actual	-	2	-	-	-	-	-	2	2

Note: RL/HQ metrics relate to the Integrated Planning and Accountability System (IPABS), which may use different conversion factors than those specified in the RL/FH Contract. IPABS quantities were established before the FH baseline, thus only the FH metrics reflect the current contract/baseline.

FY 2003 FH FUNDS VS. SPEND FORECAST (\$000)

This chart reflects the FH organizational structure. This breakout is necessary to provide FH project managers with information specific to their areas of responsibility and accountability and to facilitate effective management of the funds within their control (obligated to the PHMC).

Sub-project	PBS	Funding Guidance FY 2003	FY 2003 Fiscal Year Spend Forecast	Control Point		
				Project Completion	Post 2006	Other
Spent Nuclear Fuel	RS03	\$164,422	\$165,700	(\$1,278)		
Central Plateau Remediation	RC06	\$20,660	\$19,175	\$1,485		
	CP01	\$34,024	\$34,117		(\$93)	
	Total CP	\$54,684	\$53,292	\$1,485	(\$93)	
Plutonium Finishing Plant	CP03	\$107,412	\$107,070	\$342		
Fast Flux Test Facility	CP04	\$38,172	\$37,061			\$1,111
Advanced Reactor Transition	RC03	\$2,219	\$1,566			\$653
Waste Management	CP02	\$111,450	\$113,466	(\$2,016)		
	RS01	\$153	\$247		(\$94)	
	SC01	\$2,493	\$2,119		\$374	
	SS03	\$21,089	\$18,931		\$2,158	
	SS04	\$3,217	\$3,159		\$58	
	Total WM	\$138,402	\$137,922	(\$2,016)	\$2,496	
Landlord and Site Services	SS02	\$61,667	\$58,497	\$3,170		
Site Systems & Regulatory Analysis	SS01	\$14,297	\$14,233		\$64	
HAMMER	SS05	\$4,939	\$4,870		\$69	
Safeguards and Security	SS-D	\$47,982	\$46,990			\$992
Total FH		\$634,196	\$627,201	\$1,703	\$2,536	\$2,756

NOTE: The SS-D Funding Guidance will be reduced by \$250K in August for the Benton County Sheriff's Office. This aligns the Funding Change Proposal, the Baseline Change Request, and allotted funds.

ISSUES

Spent Nuclear Fuel (SNF)

SNF sub-project SWS – K East: The TPA milestone (M-34-08) to begin K East sludge movement by December 31, 2002, is behind schedule. The SNF sub-project is focusing on the implementation of the forced ventilation alternative to address the hydrogen generation issue. Design modifications are in progress, which include field changes to cask, Large Diameter Container (LDC), and trailer modifications. Changes to T-Plant and K Basin ABs are being developed and are scheduled to be complete in late August. Testing, procedure finalization, operator training, and final dry run are scheduled to be complete in September to support the Contractor Operational Readiness Review in early October, with the loading of the first LDC in November. The design changes significantly reduce the time required to fill and ship a LDC.

Fuel Production – FTS Shipments: Removal of all K Basin fuel by July 31, 2004, is based upon the completion of FTS shipments by January 31, 2004. As of August 11, 2003, the project completed 156 FTS shipments (1,560 canisters), and is 34 shipments (340 canisters) behind schedule. The less-than-expected performance was due to maintenance performed on right-angle drives in both basins, and a high jackscrew noise in the K East basin. Recovery actions taken include: (1) improvements to FTS annex and basin cooling systems at K East and K West; (2) leveling of K West and K East tables; (3) installation of noise monitoring connections and replacement of three of the FTS jackscrew drivers in K East; and (4) a

temporary realignment of canister cleaning crew resources for 60 days to support FTS transfers. Training to qualify Nuclear Chemical Operators (NCOs) for FTS continues. A recovery plan will be implemented to

ISSUES, CONTINUED

show when additional NCOs are FTS qualified and to provide a timeframe to recover missed FTS shipments.

Central Plateau Remediation Project (CP)

233-S Facility deactivation and decommissioning: Accelerated activities for the demolition of 233-S are in progress to complete the project by September 30, 2003. A revised execution plan has been developed to support the accelerated schedule. The remainder of the highly contaminated waste has been removed, which has enabled the downgrade of the facility from Hazard Category 3 to Radiological. Size reduction of scaffolding, floor grouting, and fixative application has been completed. Trailers have been relocated outside the construction zone. A subcontract for 233-S Facilities Demolition Plan and Support was awarded to CR/X on July 29, 2003.

Plutonium Finishing Plant Project (PFP)

Shipment of the first 3013 containers to the Savannah River Site (SRS): PFP continues working with DOE (RL, HQ and SRS) to resolve and complete all activities needed to make the first shipment of material from PFP to SRS.

Waste Management Project (WM)

Receipt of an Administrative Order on Washington Hazardous Waste Management Act and Dangerous Waste Regulation: Significant acceleration of retrieval, designation, treatment and certification of MLLW and TRU waste is required. The stay was extended through August 31, 2003, for section II.C.ii. The draft Sampling and Analysis Plan for burial ground 218-W-4C was completed and will be transmitted to RL on August 8, 2003. Until negotiations are concluded, the terms of the Order remain in effect and are difficult, if not impossible, to meet based upon current and planned waste retrieval, designation, treatment and certification capabilities for MLLW and TRU waste. Significant impacts include additional funding needs above the current baseline to execute new work scope, and the risk of being subject to enforcement by the Washington State Department of Ecology (Ecology) if the terms are not met.

TRU Program Acceleration: Increase production rates for TRU waste certification and shipment to the WIPP.

- Add bargaining unit resources at the Waste Receiving and Packaging (WRAP) plant to allow parallel TRU characterization efforts: Twenty-two bargaining unit resources have been added to date of 40 that were originally planned. Recent efficiency improvements at WRAP have somewhat reduced the need for the entire complement of resources. FH continues to evaluate resource needs, and plans to immediately transfer three additional NCOs from T-Plant to WRAP. FH will reevaluate further resource needs at the end of the fiscal year.
- Accelerated Process Line (APL) implementation: Both the non-destructive assay (NDA) and non-destructive examination (NDE) units have arrived on site and are operational. Both units have been temporarily located outside of the 2403 building at the CWC until the modifications at 2404-WC are complete later this summer. The Head Space Gas Sample (HSGS) APL unit is due to arrive at Hanford in August. It is scheduled for installation in 2404W-C as soon as the heating, ventilation and air

conditioning (HVAC) construction project is complete. The National Environmental Policy Act CX for operation of the NDA, NDE, and for the HSGS unit has now been approved by RL.

ISSUES, CONTINUED

- Modify 2404-WC facility by adding a HVAC system for storage of drums (at temperature) prior to HSGS. Construction is progressing and is scheduled for completion by the end of August.
- Accelerate the certification of the PFP mixed oxide residue waste stream: The schedule for achieving certification of this stream has been finalized, with final certification scheduled for the end of September 2003. This effort will immediately release 195 POCs, around seven shipments, and potentially an additional 1,160 POCs, or 41 shipments, in early calendar year 2004.
- Implement solids sampling at PFP: Procedures and training are in place and were evaluated as part of the June 2003 audit. This effort is necessary to complete the characterization of approximately 600 Hanford Ash and Rocky Flats Ash POCs generated by PFP. Arrangements with the Idaho National Environmental and Engineering Laboratory have been tentatively made for receipt and analysis of solids samples on August 28, 2003.

Buried TRU Drum Retrieval: Initiate TRU drum retrieval by October 2003. FH responded to an RL request to evaluate feasibility of extensive project work scope acceleration of retrieving 4,100 m³ by 2006, and adding box and uncontainerized waste retrieval. The increased retrieval rates were proposed by Ecology during negotiations to resolve the Administrative Order (see above Issue). The Defense Nuclear Facility Safety Board site visit is scheduled for August 27-28, 2003, to review the TRU Retrieval Project. The factor acceptance test is underway on the mobile drum venting system. Delivery to Hanford is expected by August 18, 2003. Training and qualification of workers is to be completed by early September. The Implementation Validation Review and the Readiness Assessment (RA) contractor review will both be started by September 2003. The final RL RA approval/startup will be initiated by October 2003.